

BABERGH AND MID SUFFOLK DISTRICT COUNCILS

From: Chief Executive	Report Number: R44
To: Executive Committee Strategy Committee	Date of meeting: 7 September 2015 10 September 2015

ACCOMMODATION UPDATE

1. Purpose of Report

The purpose of this report is to update the Committee on the changing context for the Accommodation Review and to seek its steer on the way forward.

2. Recommendation

2.1 The recommendation is that the Committee:

- Notes this update and the changing context for the accommodation review
- Agrees the next steps set out in paragraph 13.1.

3. Financial Implications

3.1 The next steps include developing and implementing a short-term accommodation change plan. There will be financial implications associated with moving people around within our existing accommodation and possibly decommissioning some under-occupied space. These short term costs will be managed within existing budgets or, where that is not possible, necessary authority to fund any short term costs from the Transformation Fund will be secured.

3.2 The long term accommodation strategy is intended to produce cost savings and will be supported by a business case and cost/benefit analysis. The strategy will require approval by this Committee before it is implemented.

4. Risk Management

4.1 There are risks inherent in any changes to use of accommodation and a risk management approach will identify, seek to mitigate or manage those risks to avoid loss of business continuity or other adverse impact. As with any process involving change to the workplace, there may be some short term service interruptions while changes are implemented

5. Consultations

5.1 The short term accommodation plan will be the result of consultation with all Corporate Managers and Operational Delivery Teams and with Portfolio Holders.

- 5.2 The long term accommodation strategy will be the subject of consultation with the communities directly impacted by the strategy – namely Hadleigh and Needham Market; with service users and local communities using our services; and with all councillors and our workforce.

6. Equality Analysis

- 6.1 Any proposed short term changes and the long term strategy will be assessed to ensure that any proposals do not adversely impact to any greater extent on those members of our communities and/or workforce with protected characteristics.

7. Shared Service / Partnership Implications

- 7.1 The short term accommodation changes will allow further integration of services across the two Councils.
- 7.2 The long term accommodation strategy will take account of the broader public service reform agenda and the increasing integration of strategy and service delivery across the Suffolk public service system.

8. Links to Strategic Joint Plan

- 8.1 The short term accommodation changes are being proposed for practical reasons but are consistent with our strategic aims and objectives, and our drive for greater integration and savings.
- 8.2 The longer term accommodation strategy will assess the positive/negative impact of any proposals on our strategic outcomes and objectives, and an analysis of that impact will be set out in the strategy and business case.

9. Background

- 9.1 In May 2012 both Councils agreed that both HQ buildings would be retained in the medium term (3-5 years). It was agreed at that time that this would provide flexibility and avoid taking on replacement or alternative accommodation until the shape and size of the new integrated workforce structure was known. It would also ensure a retained identity for both Councils and retained local access for our communities and councillors.

- 9.2 In October 2013, it was agreed to commence a review as it was recognised that having the right accommodation was critical to the development of the Councils' partnership. Developing shared accommodation was seen as a driver of a new integrated way of working and organisational culture. A two phase review was proposed:

Phase A would review current accommodation, work styles and potential alternative uses of existing accommodation. It would help develop an understanding of how the Councils wished to work in future and identify some broad alternative accommodation options.

Phase B would build a business case for the preferred option.

9.3 The Councils considered the results of Phase A late in 2014 and agreed that the best performing options identified in Phase A all involved the creation of service delivery centres and an administrative hub (a “hub and spokes model”) and it was agreed that in Phase B work would be commenced to:

- Develop the hub and spokes model to work out how it would work in practice, who would be where – both staff and councillors; and what were the implications for our accommodation options of future collaboration with partners
- Identify space for the service delivery centres and what sharing arrangements are available
- Do a more detailed appraisal of the hub options including discussion with Suffolk County Council and other partners about accommodation sharing options
- Explore the alternative options for the existing sites including soft market testing, working with local communities and exploring economic opportunities and impact
- Carry out this work over the life time of the current Councils with a view to final decisions being taken by the new Councils.

9.4 Phase B work has commenced but has not been completed. However work has been done on:

- Soft market testing of the two sites
- Discussions with various potential partners about possible sites for our spokes in our market towns and options for the hub.

10. The changing context

10.1 The context before and since the local elections in May 2015 is changing rapidly. A number of new initiatives have developed in the last 12 months that have changed the context for consideration of the Councils’ accommodation options including:

- Further indication of greater than expected savings targets required by Government in the CSR to be announced in November 2015
- Expectation from Government that there will be an integrated approach to the use of public sector assets (which will build on and up the pace of Suffolk’s single public sector estate programme)
- Government’s productivity plan and policy changes which may impact on our programme of work locally and is likely change the way we work within our communities
- The prospect of some changes to local arrangements for functions and service delivery as a consequence of the Devolution Proposition for Suffolk (longer term)

- The Transformation Challenge Award (TCA) funded Suffolk public services reform programme which includes the exploration of new models of locality working with greater integration of services across the whole public sector and a unified, or at least a more joined up approach to customer/citizen/community services.

11. Immediate Service Issues

- 11.1 A number of Council teams are already co-located and where that is not the case, there is an increasing tendency for services across the two Councils to function as single teams. However this is not universally so.
- 11.2 There are clearly advantages to working in co-located teams: it creates a common sense of purpose, builds relationships of trust and confidence between colleagues, and allows for economies of scale and standardisation of processes. The Councils have informally adopted an approach that sees doing things together and in the same way, as capable of delivering both savings and service improvements. Greater integration is a key element of our “smaller, smarter and swifter” methodology.
- 11.3 Some teams are struggling to improve their efficiency and effectiveness while being split across different sites. That said, the hub and spokes model is clearly a flexible one and should allow for staff to work in ways and at locations that best suit our customers, citizens and communities. Greater integration across public services is likely to make that flexibility even more important in future.
- 11.4 All that said, our current accommodation usage is in need of some immediate changes and this report seeks agreement from the Committee to progress some rationalisation of that usage and some greater co-location across the two existing HQ sites. This may also enable us to progress options for some greater presence in our market towns and the development of some of spokes. This may enable some parts of each site to be closed or decommissioned.
- 11.5 It is proposed that these changes are developed in consultation with our workforce and managers, and with the Enabling PSB who are responsible for steering the next phase of this accommodation work stream.

12. The long term strategy

- 12.1 It seems inevitable that the Government’s drive is for greater integration of local public services. This accords with the Suffolk Public Sector Leaders’ ambitions and both the devolution proposals that are being developed and the established TCA funded work streams.
- 12.2 However, it is also clear that it is unlikely that any firm or fixed model of local government re-organisation is planned or expected. The new model of public services in Suffolk will evolve over time.
- 12.3 The necessary consequence of this is that Babergh and Mid Suffolk are unlikely to be able to predict with absolute certainty their future accommodation needs. That said there are some trends and expectations that can inform an accommodation strategy – that meets our expected needs over the next five years.

- 12.4 It is proposed to develop such a strategy in collaboration with our partners, based on the agreed hub and spokes model, embracing the TCA and devolution proposals as they develop and supporting the overarching public service reform agenda as it becomes clearer. This will also be done in consultation with our workforce and managers and will be steered by the Enabling PSB.
- 12.5 The intention is to bring forward the strategy quickly, and the integrated Joint Strategic Plan refresh and budget process will be used as part of its development; following the timetable of that process. Timescales will also become clearer with a bit more clarity on countywide integration and devolution etc.
- 12.6 Public service reform and the accommodation strategy will affect the way our organisation currently works and will need to be linked to our organisation development work streams; and is likely to be accompanied by a comprehensive workforce development strategy.
- 12.7 The accommodation strategy when produced will need to be endorsed and adopted by the Strategy and Executive committees.

13. Next Steps

13.1 Therefore, the proposed next steps are to:

- Produce a plan for our short-term accommodation usage which will be implemented over the next six months that will rationalise the usage of our existing accommodation, build greater integration and co-location of teams across the two sites and develop some “spokes” within our market towns.
- Produce an accommodation strategy (and the necessary complementary workforce development strategy) that is cognisant of and flexible enough to reflect emerging local and national policies and public service reforms. This strategy should also reflect the qualitative requirements identified in Phase A of the Accommodation Review and seek to reduce our accommodation costs. The strategy will be supported by a delivery plan and a business case setting out the operational and financial benefits and costs of any proposals within it.

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